STARS MANUAL

ROTARY FUND

INTRODUCTION

This chapter describes how to establish a revolving expense account using a rotary fund. It also explains what you can use the fund for, how you reimburse disbursements made from the fund, and how you close the account. The disbursing officer's responsibility and the monthly reconciliation process required by the Board of Examiners are also explained.

This revolving expense account includes:

- Rotary Fund – Fund established in STARS in which your agency processes revolving expense account transactions.

- Rotary Fund Reconciliation – A monthly reconciliation of the rotary fund that is required by the Board of Examiners.

- Petty Cash – Cash in an amount established within an authorized limit for an agency to provide immediate disbursement. Petty cash can be obtained using your rotary fund or your operating fund.

See the Rotary Account and the Petty Cash policies in the Statewide Fiscal Policy Advisory Committee (FPAC) manual for more information on policies regarding the revolving expense account.

ROTARY FUND – WHAT IS IT?

The rotary fund is a revolving expense account created within your agency's fund structure to expedite disbursements. Disbursements are then recorded against an operating fund (as you would have done if you had created a warrant) and replenish your rotary fund.

Rotary funds allow you to issue sight drafts immediately. You do not have to enter transactions in STARS and wait for warrants.

An agency establishes a rotary fund to issue sight drafts (checks) for cash disbursements within an authorized limit. Disbursements include:

- advances for state employee travel

- seminar registrations

- establish a petty cash fund

- postage at the United States Post Office

- small emergency purchases

See the Rotary Account policy in the Statewide Fiscal Policy Advisory Committee manual for further direction. If you want to use the rotary for any unique purpose, you must have prior written approval from the State Controller's Office. Send requests in writing to the State Controller, Division of Statewide Accounting.

ROTARY FUND – UNDERSTANDING THE BASICS

HOW TO ESTABLISH, CHANGE, AND CLOSE A ROTARY FUND

Idaho Code Title 67-2019 charges the State Board of Examiners with the responsibility to authorize rotary accounts and to approve the amount of the rotary fund.

Once you determine the need for a rotary account, submit a written request to the State Board of Examiners to establish the account. The letter must specify the amount of cash to be transferred to the rotary fund and the fund from which it is to be transferred.

IC 67-2019 – ROTARY EXPENSE ACCOUNT -- AUTHORIZATION

Idaho Code governs the creation of rotary expense accounts, authorizing the State Board of Examiners to approve creation of a rotary fund for an agency. Idaho Code *67-2019* states

```
                          TITLE 67
                STATE GOVERNMENT AND STATE AFFAIRS
                         CHAPTER 20
                   STATE BOARD OF EXAMINERS
    67-2019.  ROTARY EXPENSE ACCOUNT -- AUTHORIZATION. A revolving or general
   expense account may be created by the state board of examiners for any
   state officer, department, board or institution in the manner provided in
   sections 67-2020 to 67-2022, Idaho Code, and not otherwise.
```

SCO SETUP OF THE ROTARY FUND

Upon approval from the Board, the State Controller will assign a rotary fund number in the STARS fund series 0800-0899 and process a transfer of the requested amount of cash from the source fund of the rotary.

The SCO will process a transaction code 728 to record the establishment of a rotary fund and a transaction 729 to record the advance to the rotary fund from the source fund. See the Rotary Fund Transaction Codes section later in the chapter for more information. The SCO will send notification of the fund number and the transfer to the requesting agency and to the State Treasurer.

ORDERING OF SIGHT DRAFTS (CHECKS)

After the SCO assigns the rotary fund number, you may order sight drafts (checks) through an established contract through the State Treasurer (current contract: Alexander Clark Business Forms). If you choose not to use the State Treasurer's sight draft contract, you must contact the STO in order to ensure that the format, etc., of the drafts are acceptable and compatible with the Treasurer's redemption system.

INCREASING AND DECREASING THE ROTARY FUND

To increase or decrease the authorized amount of the rotary fund, submit a written request to the State Board of Examiners. Include a reason for the transfer, e.g., increased or decreased travel. The request must specify the amount of cash you want transferred to or from the rotary fund and the fund it should be it transferred to or from.

Upon approval of the Board, the SCO will process a transfer of the requested amount of cash using the 728 and 729 transaction codes. The SCO will send notification to the requesting agency and the State Treasurer.

CLOSING THE ROTARY FUND

To close the account, send a written request to the State Controller's Office. The request should include the rotary fund number, the source fund, and the dollar amount of the rotary fund.

Before closing the rotary fund, all issued sight drafts must be redeemed, voided, or cancelled. The cash balance in the rotary fund must equal the total amount of cash originally transferred from the source fund. Unused sight drafts should be shredded.

RESPONSIBILITY, AUTHORIZATION, AND USE OF THE ROTARY FUND

ALLOWABLE EXPENSES

Idaho Code 67-2020 dictates the allowance of expenses from the rotary fund. The code states that you may pay an expense from the account only when an appropriation made by law is for the specific expenditure intended. The code also states that you should not pay any kind of salary or wage advance from the fund. You may not write sight drafts to purchase U.S. Savings Bonds.

IC 67-2020 – ROTARY EXPENSE ACCOUNT - ALLOWANCE

Idaho Code considers a rotary expense account to be an advance for current cash items and not for any kind of salary or wages. Idaho Code *67-2020* states

```
                         TITLE 67
               STATE GOVERNMENT AND STATE AFFAIRS
                         CHAPTER 20
                   STATE BOARD OF EXAMINERS
   67-2020.  ROTARY EXPENSE ACCOUNT -- ALLOWANCE. The requisition of the
  head of any department, board or institution or the disbursing officer
  thereof requesting a revolving account shall be acted upon by the board of
  examiners in the same manner as a claim against the state and, if allowed,
  shall be regarded as an advance for current cash items, and not for any
  kind of salary or wage advance. It shall be allowed only in case an
  appropriation has been made by law for the specific expenditures intended
  to be paid out of the account. The amount of the revolving account shall
  be charged by the state controller against the officer making the
  requisition who may, if the board deems necessary, be required to give a
  bond in addition to his official bond, in such sum as the board may fix,
  to secure the repayment of such account.
```

Normally you establish a rotary fund to expedite cash disbursements such as travel advance, prepayment of registration fees for classes or seminars, petty cash, or small emergency purchases. If you do not have access to the State's Central Postal Service, you may issue sight drafts for postage.

There is nothing in code that sets a limit on the amount for a travel advance. Some agencies set a maximum limit, such as 95% of the expected travel costs, to reduce the number of possible overpayments requiring a refund from the employee.

DISBURSING OFFICER AND WHO CAN SIGN/ISSUE A SIGHT DRAFT

According to Idaho Code 67-2021, the disbursing officer is responsible for and must account for all monies in the rotary fund. There may be more than one disbursing officer for signing sight drafts.

IC 67-2021 – ROTARY EXPENSE ACCOUNT – HOW DRAWN UPON

Idaho Code governs that sight drafts signed by the officer makes withdrawal from the rotary fund. It also requires an itemized voucher for backup information. Idaho Code *67-2021* states

```
                        TITLE 67
            STATE GOVERNMENT AND STATE AFFAIRS
                       CHAPTER 20
                STATE BOARD OF EXAMINERS
   67-2021.  ROTARY EXPENSE ACCOUNT -- HOW DRAWN UPON. The money advanced
   shall remain in the state treasury for the use of the officer making the
   requisition. The account may be drawn upon by a sight draft signed by the
   officer and attached to an itemized voucher for the expenditure, both in
   such form as the state controller shall prescribe.
```

Each disbursing officer is required to complete signature authorization cards for the State Treasurer's Office. Blank signature cards can be obtained from the STO. Signature authority is specific to each rotary fund, so only persons who have a card signed for that particular fund should sign as disbursing officer on the rotary fund sight drafts or transactions.

Persons authorized to sign a sight draft using the disbursing officer's name must sign and initial in their own handwriting. Facsimile signatures are not allowed. A signature authorization card must be on file in the STO.

If you revoke signing authority for a disbursing officer, you must notify the STO in writing.

MONTHLY ROTARY FUND RECONCILIATION REQUIRED

According to Idaho Code 67-2022, each officer having a revolving expense account shall present a complete itemized account of all expenditures at stated intervals. A rotary fund statement must be prepared and reconciled after the close of each month.

See the Rotary Fund Reconciliation section later in the chapter.

IC 67-2022 – ROTARY EXPENSE ACCOUNT – ALLOWANCE OF ITEMS

Idaho Code governs the requirement of an itemized account (reconciliation) of the rotary fund. It also states that the (disbursing) officer shall replace any amounts disallowed. Idaho Code _67-2022_ states:

>   TITLE 67
>   STATE GOVERNMENT AND STATE AFFAIRS
>   CHAPTER 20
>   STATE BOARD OF EXAMINERS
>   67-2022. ROTARY EXPENSE ACCOUNT -- ALLOWANCE OF ITEMS. At stated
>   intervals to be fixed by the board by general regulation each officer
>   having a revolving account shall present a complete itemized account of
>   all expenditures therefrom for allowance or rejection. If any item thereof
>   is disallowed, the officer shall replace the amount thereof in the
>   revolving account. The amount of items allowed shall be credited by the
>   state controller to the officer or replaced in the revolving account.

VOIDING A SIGHT DRAFT

All voided sight drafts must be marked "VOID" on the original and the signature space must be torn off. Send the original voided draft to the State Controller's Office with the corresponding monthly reconciliation statement. The voided copy is to be retained by your agency.

The sight draft is listed under Sight Drafts Drawn as a "0" amount. If a sight draft is voided in the following month instead of the month in which it was written, it must appear as a credit amount to the current month's listing of Sight Drafts Drawn.

CANCELLATIONS AND STOP PAYMENTS OF SIGHT DRAFT

Handle cancellations and stop payments of sight drafts the same as stop payments and cancels on warrants. Please refer to the Warrants and Cancellations chapter for full details.

HOW TO REIMBURSE THE ROTARY FUND

Rotary funds allow you to issue sight drafts without having to enter transactions in STARS and wait for warrants. However, you must record the rotary expenses and the reimbursement the rotary cash in STARS.

To process a reimbursement, use an Expenditure Disbursement form. Process a transaction code 730 to reimburse the cash in the rotary fund and a transaction code 735 to record each expense. See the Rotary Fund Transaction Codes section later in the chapter for more information.

With rotary reimbursement batches, it is important to remember that the 730 transaction code must always equal the sum of the 735 transaction codes in the same batch. All reimbursements to the fund must be supported with receipts. If a receipt is not available, you may use a copy of the sight draft as supporting documentation. Do not reimburse a sight draft until you have verified expenditures with receipts. Also, be sure to reference the rotary fund number and sight draft number in any reimbursement transaction.

ROTARY FUND TRANSACTION CODES

ROTARY REIMBURSEMENT BATCH HEADER AND BATCH TYPES

You must enter a batch header before you can enter any rotary reimbursement transactions in STARS. The normal batch type to enter a rotary transaction is a batch type 4 or 5. For more information concerning the entry of batch headers and batch types, see the Getting Started transaction chapter of this manual.

ROTARY REIMBURSEMENT TRANSACTION CODES

NOTE: The 107, 730, and 732 transaction codes require a rotary fund number (08xx) to process.

Transaction Code	Description
107	Record Cash Receipt For Unused Rotary Advance – level 3 Requires a rotary fund number to make a deposit to the rotary fund.
730	Record Reimbursement of Sight Drafts – level 3 Requires a rotary fund number to replenish the rotary fund.
732	Record Reimbursement of Sight Drafts – level 7 (same as TC 730 but requires release by the SCO)
735	Record Expenditures For Sight Drafts Reimbursed – level 3 (see TC 27C to post to an encumbrance) Charges sight draft as an expenditure to the designated fund.
736	Record Trust Payments by Rotary Draft – level 3 Used by H&W & Vet Svcs to post trust payment sight drafts against their deposits using GL 2407. Requires a subsidiary number.
738	Record Expenditures For Sight Drafts Reimbursed – level 7 (same as TC 735 but requires release by the SCO)
27C	Encumbrance Expenditure Adj To Vendor Pmt File – Charge – level 3 Use for 735 postings that need to post to an encumbrance - it offsets TC 730.

SPECIAL GENERIC ROTARY REIMBURSEMENT VENDOR NUMBER

For posting payments that are not 1099 reportable, such as change for a parking meter, etc., you may use a generic vendor number such as Rotaryxxx (where xxx indicates your agency number).

The vendor number/suffix ROTARYXXX-00 should be used for non-1099 reportable payments for small rotary items and for instances when you cannot locate a vendor number.

TC 107 – RECORD CASH RECEIPT FOR UNUSED ROTARY ADVANCE (APPROVAL LEVEL 3)

A Record Cash Receipt for Unused Rotary Advance posts to general ledger accounts 1005 (DR – rotary cash) and 1151 (CR- Deferred Expense).

```
VERSION 3.1  STARS--TRANSACTION CODE DECISION TABLE MAINTENANCE/INQUIRY  S028
 FUNCTION: R (A=ADD, C=CHANGE, D=DELETE, N=NEXT, R=RECALL)
 TRAN-CODE: 107 TITLE: RECORD CASH RECEIPT FOR UNUSED ROTARY ADVANCE
GENERAL-LEDGER-  DR-1: 1005 CR-1: 1151 DR-2:      CR-2:
      POSTING  DR-3:      CR-3:       DR-4:       CR-4:
```

The following example shows the minimum requirements to post a 107 transaction based on a PCA-driven agency (if the PCA does not look up the Index, you must enter the Index):

```
VERSION 3.1         STARS--REVENUE/RECEIPTS TRANSACTION ENTRY         S504
BATCH: AGY  230 DATE 11012000 TYPE 4 NO 020 MODE MASTER EDIT ON SEQ-NO 00001


CUR-DOC/SFX: ROTARY 01    TRANS-CODE: 107         RVS:
REF-DOC/SFX:                   MOD:              BFY: 00   GAAP IND:

INDEX     :                          SEC AGENCY:
PCA       :                          SUBSID:
REV-SUB-OBJ/DET:
EXP-SUB-OBJ/DET:


AMOUNT    : 15.00                 BUDGET UNIT:
DOC TOTAL:                          PROP#:        CMP#:
INV-NO   :              INV-DESC:
VENDOR-NO:                 NAME:
GRANT/PH:            PROJ/PH:        FUND/DET: 0899      F/O:
                     LOC:           FAC:
                 DOC-DATE:          EFF-DATE: 110199 DUE-DATE:
                                        INTERRUPT:
```

You must enter the following elements for a TC 107.
NOTE**:** The system will have already filled in the BFY and effective date.

Data Element	Description
CUR-DOC/SFX	Enter an eight-character current document number and two-digit suffix. NOTE: We recommend you use all eight characters.
TRANS-CODE	Enter transaction code 107 (record cash receipt for unused rotary advance). If you need to do an adjustment, see the Adjustment Transaction Codes section later in the chapter.
AMOUNT	Enter the amount of the deposit to the rotary fund.
FUND	Enter the four-digit rotary fund number. This will be a fund number in the 0800 series.

Important tips for entering TC 107:

1. The TC 107 does not require a PCA or Index.

2. The TC 107 requires a rotary fund number (so the system knows where to increase the cash).

3. You may process for deposits to the rotary fund for items such as a refund for a travel advance made from the rotary fund, closing petty cash, etc.

TC 730 – RECORD REIMBURSEMENT OF SIGHT DRAFTS (APPROVAL LEVEL 3)

A Record Reimbursements of Sight Drafts posts to general ledger accounts 1005 (DR – rotary cash) and 1151 (CR- Deferred Expense).

```
VERSION 3.1  STARS--TRANSACTION CODE DECISION TABLE MAINTENANCE/INQUIRY  S028
   FUNCTION: R (A=ADD, C=CHANGE, D=DELETE, N=NEXT, R=RECALL)
   TRAN-CODE: 730 TITLE: RECORD REIMBURSEMENTS OF SIGHT DRAFTS
GENERAL-LEDGER-  DR-1: 1005 CR-1: 1151 DR-2:      CR-2:
       POSTING  DR-3:      CR-3:      DR-4:      CR-4:
```

The following example shows the minimum requirements to post a 730 transaction based on a PCA-driven agency (if the PCA does not look up the Index, you must enter the Index):

```
VERSION 3.1          STARS--REVENUE/RECEIPTS TRANSACTION ENTRY          S504
BATCH: AGY  230 DATE 11012000 TYPE 4 NO 020 MODE MASTER EDIT ON SEQ-NO 00001


CUR-DOC/SFX: ROTARY 01    TRANS-CODE: 730          RVS:
REF-DOC/SFX:                  MOD:              BFY: 00   GAAP IND:

INDEX     :                           SEC AGENCY:
PCA       :                              SUBSID:
REV-SUB-OBJ/DET:
EXP-SUB-OBJ/DET:


AMOUNT    : 15.00                     BUDGET UNIT:
DOC TOTAL:                                PROP#:          CMP#:
INV-NO   :                  INV-DESC:
VENDOR-NO:                  NAME:
GRANT/PH:             PROJ/PH:          FUND/DET: 0899       F/O:
                     LOC:              FAC:
                 DOC-DATE:          EFF-DATE: 110199 DUE-DATE:
                                            INTERRUPT:
```

You must enter the following elements to enter a TC 730.
NOTE: The system will have already filled in the BFY and effective date.

Data Element	Description
CUR-DOC/SFX	Enter an eight-character current document number and two-digit suffix. NOTE: We recommend you use all eight characters.
TRANS-CODE	Enter transaction code 730 (record reimbursement of sight drafts). If you need to do an adjustment, see the Adjustment Transaction Codes section later in the chapter.
AMOUNT	Enter the amount of the reimbursement to the rotary fund. The 730s should equal the expenditures (735 or 27C). This amount can be entered as an accumulative total instead of having to match each 735/27C amount.
FUND	Enter the four-digit rotary fund number. This will be a fund number in the 0800 series.

Important tips for entering TC 730:

1. The TC 730 does not require a PCA or Index.

2. The TC 730 requires a rotary fund number (so the system knows where to increase the cash).

3. You may process one 730 that equals the all of the 735 expense transactions.

TC 735 – RECORD EXPENDITURES FOR SIGHT DRAFTS REIMBURSEMENT (APPROVAL LEVEL 3)

A Record Reimbursements of Sight Drafts posts to general ledger accounts 4200 (DR – expenditures) and 1003 (CR- cash in treasury).

```
VERSION 3.1  STARS--TRANSACTION CODE DECISION TABLE MAINTENANCE/INQUIRY   S028
   FUNCTION: R (A=ADD, C=CHANGE, D=DELETE, N=NEXT, R=RECALL)
   TRAN-CODE: 735 TITLE: RECORD EXPENDITURES FOR SIGHT DRAFTS REIMBURSED
GENERAL-LEDGER-  DR-1: 4200 CR-1: 1003 DR-2:      CR-2:
     POSTING    DR-3:      CR-3:      DR-4:      CR-4:
```

The following example shows the minimum requirements to post a 735 transaction based on a PCA-driven agency (if the PCA does not look up the Index, you must enter the Index):

```
VERSION 3.1        STARS--REVENUE/RECEIPTS TRANSACTION ENTRY        S504
BATCH: AGY  230 DATE 11012000 TYPE 4 NO 020 MODE MASTER EDIT ON SEQ-NO 00001


CUR-DOC/SFX: ROTARY 01  TRANS-CODE: 735        RVS:
REF-DOC/SFX:              MOD:             BFY: 01   GAAP IND:


INDEX      : 1000                  SEC AGENCY:
PCA        : 21000                     SUBSID:
REV-SUB-OBJ/DET:
EXP-SUB-OBJ/DET: 5396


AMOUNT   : 15.00                  BUDGET UNIT:
DOC TOTAL:                         PROP#:        CMP#:
INV-NO   :              INV-DESC:
VENDOR-NO:                NAME:
GRANT/PH:          PROJ/PH:        FUND/DET: 0001       F/O:
                  LOC:            FAC:
                  DOC-DATE:        EFF-DATE: 110199 DUE-DATE:
                                     INTERRUPT:
```

You must enter the following elements to enter a TC 735.

NOTE: The system will have already filled in the BFY and effective date.
We recommend that you leave RDOC (reference document numbers) blank when you enter TC 735. TC 735 does not automatically post to the Fixed Asset System (FAS).

Data Element	Description
CUR-DOC/SFX	Enter an eight-character current document number and a two-digit suffix. Use any document number you wish. STARS uses this number on the Vendor Payment File, listing the payments to a vendor in alphabetical order using this CUR-DOC/SFX number. To keep the numbers in date order, you may want this number to be consecutive from the first of the year to the end. (EXAMPLE: ROT00001, ROT00002, etc.)
TRANS-CODE	Enter transaction code 735 (record an expenditure for sight drafts reimbursed). If you need to do an adjustment, see the Adjustment Transaction Codes section later in this chapter.
INDEX or PCA	Enter a four-digit Index if you are Index-driven or a five-digit PCA if you are PCA-driven. Your Index or PCA usually looks up a fund and budget unit, which are also required elements.
EXP-SUB-OBJ/DET	Enter a four-digit expenditure subobject (you can also use a agency-specific two-digit detail) to identify the payment category such as office supplies, accounting services, etc. The expenditure subobject you use will be a factor in whether a 1099MISC tax form will be sent to a vendor. You can find these expenditure subobjects and their 1099MISC and Workers Compensation references in Expenditure Subobjects Long List of the online STARS manual.
AMOUNT	Enter the amount of the transaction to record this payment.
WARR-NO	Not required, but recommended. Enter up to a nine-character sight draft number to show on the Vendor Payment File. This will help connect a 735 posting to a sight draft for future use. Recommend using RF00##### as a format for your number.

Data Element	Description
PROP# / COMP#	Your subobject may require posting to the Fixed Asset System. If so, enter the ten-character property number and the two-digit component number. Normally, these numbers are inventory numbers used by your agency. STARS requires this number on some of the Capital Outlay subobjects and transfers this transaction information to the Fixed Asset System. See the See the FAS User Manual. **NOTE:** A CI indicator is not needed since this transaction code is a sequence 5.
INV-NO	Not required, but recommended. Enter up to a fourteen-character invoice number, if you have one. STARS posts this information to the Vendor Payment File for future reference. This invoice number shows on daily and expenditure reports.
INV-DESC	Not required, but recommended. Enter up to a thirty-character invoice description. Be sure to include enough information so you can identify the payment. This is additional information such as the month or on whose behalf you are making the payment. This information will post to the STARS Vendor Payment File for future reference. The invoice description shows on daily and expenditure reports.
VEND-NO	Enter the nine-character vendor number and two-character suffix of the vendor you paid with the sight draft. STARS will post the TC 735 payment to this vendor number on the Vendor Payment File. This is the number used for tax reporting to the IRS. See the Vendors subchapter for more information.

Important tips for entering TC 735:

1. Double-check your expenditure subobject to be sure it is correct for the type of payment you made, including whether the payment should be 1099 reportable.

2. Enter the invoice number and description so you have enough information for future reference.

3. Double-check your vendor number, name, and address to be sure it belongs to the vendor you paid.

4. This will post to a grant and/or project.

Redeemed sight drafts post as a disbursement and reimbursements post as a receipt to a rotary fund. If you write sight drafts and do not reimburse them in a timely manner, you could have a

negative cash balance in your fund. It might help to reimburse your rotary fund on a regular basis. The State Treasurer assesses a fine for each day the fund is in the negative.

You can view a rotary fund balance in STARS by starting at the main menu and selecting I (Online File Inquiry) then selecting 63 or 73, Cash Control File option.

TC 27C - ENCUMBRANCE EXPENDITURE ADJ TO VENDOR PAYMENT FILE - CHARGE (APPROVAL LEVEL 3).

(Also used to record encumbrance expenditures for sight draft reimbursement.)

An Encumbrance Expenditure Adj to Vendor Payment File - Charge (TC 27C) posts to general ledger accounts 4200 (CR-expenditures) and 1003 (DR-cash in treasury) as well as encumbrance general ledger accounts.

> Notice there is a posting to the fourth set of G/L postings indicating that STARS will post to an encumbrance.

```
VERSION 3.1  STARS--TRANSACTION CODE DECISION TABLE MAINTE
 FUNCTION: R (A=ADD, C=CHANGE, D=DELETE, N=NEXT, R=RECALL
 TRAN-CODE:27C TITLE: ENCUMBRANCE EXPENDITURE ADJ TO VENDOR PMT FILE - CHARGE
GENERAL-LEDGER-  DR-1: 4200  CR-1: 1003  DR-2:      CR-2:
     POSTING   DR-3:       CR-3:       DR-4: 3001  CR-4: 4300
```

The following example will show you the minimum requirements to post a 27C transaction based on a PCA-driven agency (if the PCA does not look up the Index, you must enter the Index).

```
VERSION 3.1          STARS--PRE-ENC/ENC/EXPEND TRANSACTION ENTRY          S505
BATCH: AGY 230 DATE 11101999 TYPE 4 NO 010 MODE MASTER EDIT ON   SEQ-NO 00002


CUR-DOC/SFX: D0002409 01  TRANS-CODE: 27C          RVS:      DISB-METH:
REF-DOC/SFX: E0089000 01      MOD:            BFY: 99   GAAP IND:
INDEX     :                        SEC AGENCY:
PCA       :                        SUBSID:          PCN:
EXP-SUB-OBJ/DET:
REV-SUB-OBJ/DET:
AMOUNT    : 60.70            WARR-NO:              BU:
DOC TOTAL: 0000000000.00        PROP#:        CMP#:        CI:
INV-NO : RF000####            INV-DESC : June 15 registration fee for John Doe
VEND-NO: 222473181 00      NAME  :
                           NAME 2:
                           ADDR  :
                           CITY  :            STATE:   ZIP:
GRANT/PH:          PROJ/PH:        FUND/DET:        F/O:
    MPC:
DOC-DATE:     EFF-DATE: 110599 DUE-DATE:      INTERRUPT:


ENTER=RETURN FRESH SCREEN, PF1=RETURN FILLED SCREEN, PF5=REVIEW BEFORE POST
PF8=NEXT RECORD, PF9=BATCH BALANCING, PF10=CHG BATCH/VIEW DETAILS
```

Important tips for entering a TC 27C:

1. Enter the BFY if for a prior year encumbrance.

2. TC 27C requires a reference document number to indicate the encumbrance involved.

3. STARS requires a vendor number to post to the Vendor Payment File

4. Post sight draft to encumbrance and vendor payment file

5. Not required, but recommended. The TC 27C will not allow you to post the sight draft number to the warrant field, so we recommend it be put in the invoice no. field

6. STARS looks up Index, PCA, Grant, Project, subobject, from encumbrance on Document File.

You must enter the following elements to enter a TC 27C.

NOTE: The system will have already filled in the BFY and effective date.
TC 27C does not automatically post to the Fixed Asset System (FAS).

Data Element	Description
CUR-DOC/SFX	Enter an eight-character current document number and a two-digit suffix. Use any document number you wish. **NOTE:** STARS uses this number on the Vendor Payment File, listing the payments to a vendor in alphabetical order using this CUR-DOC/SFX number. To keep the numbers in date order, you may want this number to be consecutive from the first of the year to the end. (EXAMPLE: ROT00001, ROT00002, etc.)
REF-DOC/SFX	Enter an eight-character reference document number and two-digit suffix to post information to the encumbrance on the Document File. This tells the system which existing encumbrance document number to post the transaction.
BFY	Enter a two-digit budget fiscal year if the encumbrance is for a prior year encumbrance.
TRANS-CODE	Enter transaction code 27C (encumbrance expenditure adj to vendor payment file – charge). This transaction will post the sight draft payment to the correct information, which includes posting to an encumbrance. This transaction offsets a TC 730.
INDEX or PCA	Do not enter. The Ref-Doc/Sfx will lookup the needed information from the encumbrance record on the document file.
EXP-SUB-OBJ/DET	Do not enter. The Ref-Doc/Sfx will lookup the needed information from the encumbrance record on the document file.
AMOUNT	Enter the amount of the transaction to record this payment.

Data Element	Description
WARR-NO	The TC 27C does not allow an entry. We recommend using the invoice number to show your sight draft number.
	Not required, but recommended. Enter up to a nine-character sight draft number to show on the Vendor Payment File. This will help connect a 735 posting to a sight draft for future use. We recommend using RF00##### as a format for your number.
INV-NO	Not required, but recommended. Enter up to a nine-character sight draft number to show on the Vendor Payment File. This will help connect a 735 posting to a sight draft for future use. We recommend using RF00##### as a format for your number.
INV-DESC	Not required, but recommended. Enter up to a thirty-character invoice description that will post to the Vendor Payment File for reference. Be sure to include enough information so your agency can identify the reason for the sight draft. The invoice description shows on daily, expenditure, and general journal transaction reports.
VEND-NO	Enter the vendor number/suffix of the vendor paid with the sight draft. STARS will post the TC 27C to this vendor number on the Vendor Payment File. This is the number STARS uses for tax reporting to the IRS.

Important tips for entering TC 27C:

1. Enter the invoice number (sight draft number RF00####) and description so your agency has enough information to know the reason for the sight draft. This will help for future reference.

2. This will post to a grant and/or project.

3. This will post to an encumbrance.

4. TC 735 or TC 27C must offset TC 730.

5. TC 27C does not automatically post to the Fixed Asset System (FAS).

ONLINE ROTARY / SIGHT DRAFT FILE

STARS allows you to see a list of your agency's sight drafts that have been redeemed through the State Treasurer's Office. This is useful if you need to know if a rotary fund sight draft has been redeemed before issuing a cancellation or a stop payment on the sight draft.

ROTARY/SIGHT DRAFT INQUIRY (S056)

In STARS, screen 56 is a list redeemed sight drafts, the dates they were redeemed, and their amounts. You can view the redeemed Rotary/Sight draft file by selecting 'W' (Warrants) from the STARS Main Menu, and then Rotary/Sight Draft Inquiry Screen 56 (S056).

This screen shows a list of redeemed sight drafts by your agency, by rotary fund, and by sight draft. It displays them by sight draft number in left to right order. Only your agency records will show - STARS security prevents agencies from viewing warrant records of other agencies.

You can page through the sight drafts or you may recall (R=recall) a specific sight draft number under a specific rotary fund. This screen works like the vendor 2N screen in recalling the next screen.

Agency 230's S056 STARS Rotary/Sight Draft Inquiry for Redeemed Sight Drafts

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VERSION 1.3          STARS ROTARY/SIGHT DRAFT INQUIRY                S056
 FUNCTION: R (N=NEXT, P=PRIOR, R=RECALL)
      AGY: 230 SIGHT DRAFT NO: 000043590  FUND: 0875
SIGHT DRAFT EFFECT DTE        AMOUNT   SIGHT DRAFT EFFECT DTE        AMOUNT
000043590  09/21/2000          75.00  000043647  05/15/2001          77.00
500027487  05/08/2000          12.00  500027504  06/29/2000           5.00
500027613  05/17/2000           7.00  500027630  05/15/2000           7.00
500027632  05/04/2000           2.00  500027638  05/01/2000          32.00
500027647  05/03/2000         121.50  500027648  05/01/2000           3.00
500027649  05/09/2000           3.00  500027850  05/09/2000          20.00
500027851  05/09/2000         150.75  500027852  05/05/2000          43.00
500027853  05/08/2000          43.00  500027854  05/08/2000         130.00
500027855  05/23/2000          12.00  500027856  05/05/2000         292.80
500027857  05/09/2000          68.80  500027858  05/08/2000         103.00
500027859  05/24/2000         103.00  500027861  05/09/2000          12.00
500027862  05/30/2000          43.00  500027863  05/10/2000          32.00
500027864  05/10/2000          32.00  500027865  05/18/2000          23.00
500027866  06/05/2000          79.75  500027867  05/18/2000          80.00
500027868  05/23/2000          83.00  500027869  05/23/2000          83.00
500027870  05/23/2000          83.00  500027871  05/18/2000          83.00
                                                  INTERRUPT:
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ROTARY FUND – ADJUSTMENT TRANSACTION CODES

Transaction Code	Description
107	Record Cash Receipt For Unused Rotary Advance – level 3 Use a TC 107R to reverse a TC 107. NOTE: Requires a rotary fund number.
730	Record Reimbursement of Sight Drafts – level 3 Use a TC 730R to reverse a TC 730. NOTE: Requires a rotary fund number.
732	Record Reimbursement of Sight Drafts – level 3 Use a TC 732R to reverse a TC 732. NOTE: Used by H &W and Division of Veteran Services
735	Record Expenditures For Sight Drafts Reimbursed – level 3 Use a TC 735R to reverse a TC 735. NOTE: Charges sight draft as an expenditure to the designated fund.
736	Record Trust Payments by Rotary Draft – level 3 Use a TC 736R to reverse a TC 736. NOTE: Used by H&W & Vet Svcs to post trust payment sight drafts against their deposits using GL 2407. Requires a subsidiary number.
738	Record Expenditures For Sight Drafts Reimbursed – level 7 (same as TC 735 but requires release by the SCO) Use a TC 738R to reverse a TC 738. NOTE: Used by H&W and Division of Veteran Services
27C	Encumbrance Expenditure Adj To Vendor Pmt File – Charge – level 3 Use a TC 27C to reverse a current fiscal year TC 27C. If you need to reverse a prior fiscal year TC 27C, please send in a request to the SCO DSA helpline at dsahelpline@sco.idaho.gov, since an appropriation file correction is involved.

PETTY CASH

Petty cash is an amount of cash withdrawn from either your agency's rotary fund or from your agency's operating fund to meet the minor cash needs of your agency. The petty cash is an amount established within an authorized limit for an agency to provide immediate disbursement. Please refer to the Petty Cash subchapter for more information.

ROTARY FUND RECONCILATION

Your agency is required to reconcile your rotary fund and submit a rotary fund statement form to the State Controller's Office by the end of the week following receipt of the SCO month end financial reports. Monthly reconciliation is required for every rotary fund, even if there are no sight drafts issued or credits to the fund processed during the month.

The SCO will return all required attachments such as voids, affidavits, and sight drafts redeemed during the report month, to your agency after their audit is complete.

You must retain all documents and sight drafts in accordance with guidelines established by the Department of Administration, Records Management Bureau, and the Legislative Services Office.

ROTARY FUND STATEMENT FORM (RF)

To ensure that you have the latest version of the form, click here go to STARS Forms to locate and open the Rotary Fund Statement Form (RF).

The online form also contains formulas that help you calculate certain amounts. This online PDF form can be filled out when it is opened and then saved on your PC so that you can e-mail it to the State Controller's Office.

On the same page you can also open or download the coding instructions for the RF form.

ROTARY FUND RECONCILIATION AT FISCAL YEAR END

Like the warrants, outstanding sight drafts that were issued before July 1 of the current fiscal year are required to be sent to unclaimed property at the State Tax Commission. You will receive a listing before this action is taken.

Due to procedures that take place as part of this year-end closing, the following are the special reporting requirements for the June statement:

1. Show any transfers of funds from the agency (TC 350) to unclaimed property for the cancellation of outdated sight drafts as a decrease in the CREDITS TO THE FUND section. This is because they are all issued in a prior period and the cash balance in the rotary fund must be reinstated. SCO will do transactions to send the cash to the State Tax Commission (TC 353).

2. Show any sight draft that has been reimbursed (TC 730/735) but is being cancelled at year-end as a decrease in the CREDITS TO THE FUND and as a credit in the SIGHT DRAFTS DRAWN.

3. If a sight draft has not been reimbursed (TC 730/735), no transfer will be made. However, the sight draft must be shown as a credit in the SIGHT DRAFTS DRAWN.

4. If a sight draft has a stop payment and has been reimbursed (TC 730/735), the reimbursement must be reversed before June 30, no transfer will be made, but the draft must be shown as a credit in the SIGHT DRAFTS DRAWN.

5. If a stop payment has been issued on a draft and has not been reimbursed, no transfer will be made. The draft must be shown as a credit in the SIGHT DRAFTS DRAWN and must no longer be shown in the CLAIMS NOT FILED section on the reverse of the statement.

6. To record the transfer of cancelled prior year sight drafts from a rotary fund to unclaimed property, use TC 350. This TC is used only at year-end, June 30, when you cancel prior year sigh drafts. The transaction is entered on form EXPDISB (forms can be accessed at http://www.sco.idaho.gov/dsa) and sent to the State Controller's Office. The Rotary Fund number is required for processing.

ROTARY FUND REPORTS - WHAT ARE THEY

ROTARY FUND REDEMPTION AND RECONCILIATION REPORTS

Report	Description
DAFR0163 Rotary Redemption and Reconciliation Report	Lists the sight drafts redeemed during the month. Includes the sight draft number, redeemed date, and amount. For reconciliation purposes it lists the month's activity that posts to the cash control file. This report breaks by fund. It sorts by sight draft number.

ROTARY FUND TRANSACTION DETAIL REPORTS

The rotary fund transaction detail is found on the same transaction detail reports as expenditures and receipts

Transaction Code	Types of Reports
TC 107, 730, 732, 353	Post to the receipt transaction detail reports. REGISTER 5 – Revenue and Receipts transaction register. See the end of the Cash Receipts chapter for more information on revenue and receipt reports.

Transaction Code	Types of Reports
TC 735, 736, 738, 350	Post to the expenditure and disbursement transaction detail reports. REGISTER 4 – Expenditure transaction register. See the end of the Expenditures and Disbursements chapter for more information on expenditure and disbursement reports.
TC27C	Post to the expenditure and disbursement transaction detail reports. REGISTER 6 – General Journal transaction register. See the end of the Expenditures and Disbursements chapter for more information on expenditure and disbursement reports.